

**BEFORE THE COMMISSIONER OF COMMERCE AND INSURANCE
OF THE STATE OF TENNESSEE**

IN THE MATTER OF:

**MONROE COUNTY MUTUAL
FIRE INSURANCE COMPANY**

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TID No.: 15-079

ORDER ADOPTING EXAMINATION REPORT

Pursuant to Tenn. Code Ann. § 56-22-101 *et seq.*, the Insurance Division of the State of Tennessee Department of Commerce and Insurance (“Division”) has examined certain affairs of Monroe County Mutual Fire Insurance Company (“Company”), an insurance company domiciled in the State of Tennessee. As a result of an examination conducted as of December 31, 2013, the examiner-in-charge filed with the Division, on June 17, 2015, a verified, written report on the examination, and a copy of that report has been sent to the Company. (The Report on Examination of Monroe County Mutual Fire Insurance Company is attached hereto and marked as Exhibit A.) The Division received a response regarding the report from the Company on June 17, 2015. (The written response submitted by the Company is attached hereto and marked as Exhibit B.)

Pursuant to Tenn. Code Ann. § 56-1-411, the examination report regarding the affairs of Monroe County Mutual Fire Insurance Company filed with the Insurance Division of the State of Tennessee Department of Commerce and Insurance on June 17, 2015, is hereby **ADOPTED** as filed with the following **DIRECTIVES**:

1. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-22-109(a)(4) by accounting and reporting the depreciated book value of its office building in accordance with National Association of Insurance Commissioners

(“NAIC”) Statement of Statutory Accounting Principles (“SSAP”) No. 40 (Real Estate Investments) on the Company’s Annual Statements.

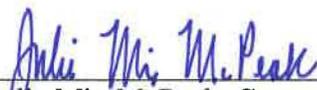
2. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-22-109(a)(4) by accounting for and reporting the value of its bond investments using amortized cost in accordance with NAIC SSAP No. 26 on the Company’s Annual Statements.
3. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-22-109(a)(4) by accounting for and reporting the acquisition and disposal of bonds and long-term certificates of deposit on the Company’s Annual Statements.
4. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-22-109(a)(4) by reporting premium receivable on the Company’s Annual Statements.
5. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-22-109(a)(4) by reporting taxes, licenses, and fees payable on the Company’s Annual Statements.
6. The Company is **DIRECTED** to comply with Tenn. Code Ann. § 56-22-109(a)(4) by reporting interest income due and accrued on the Company’s Annual Statements.
7. The Company is **DIRECTED** to comply with Tenn. Code Ann. §§ 56-22-109(b)(1), 56-5-303, 56-5-304, and 56-5-305 by filing with the Division its reinstatement fee assessed on any policy cancelled for a period of less than one (1) year.

The company shall comply with the Directives contained in this Order within 30 days of its entry.

The adoption of this examination report shall not preclude the Department from imposing sanctions against Monroe County Mutual Fire Insurance Company for potential violations of the Tennessee Insurance Law which may be revealed in the examination report, it being the intent of this Order Adopting Examination Report merely to adopt the examination report filed by the examiner-in-charge.

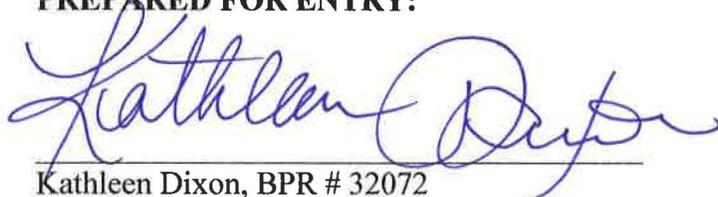
It is so **ORDERED**.

ENTERED this the 26th day of June, 2015.



Julie Mix McPeak, Commissioner
Department of Commerce and Insurance
State of Tennessee

PREPARED FOR ENTRY:



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